



INSTRUCTIONS FOR COMPLETING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Pursuant to Health and Safety Code (HSC) section 34177 (m), the Department of Finance (Finance) is providing the Recognized Obligation Payment Schedule (ROPS) successor agencies (agencies) must use to report enforceable obligations (EO) for the period January through June 2013. The completed ROPS is **due to Finance on September 4, 2012¹**. Upon completion, the ROPS should be submitted to Finance in Excel format using the following email address:

Redevelopment_Administration@dof.ca.gov

Changes to Finance's Previous ROPS Version:

To assist agencies in completing the ROPS, the schedule has been modified from its previous version and changes are listed as follows:

- Agencies must report actual amounts paid with Redevelopment Property Tax Trust Fund² (RPTTF) from the previous period (January 2012 through June 2012).
- Agencies must report anticipated RPTTF funding for the current period (January 2013 through June 2013).
- All EOs must now be listed on one form regardless of funding source or project area.
- Agencies are no longer required to report monthly EO estimates. Instead only the six-month estimated amounts are required.
- Funding source columns have been designated.
- A column for contract/agreement termination date has been added.
- A Notes form is now available for agencies to provide additional and necessary information related to the EOs listed on the ROPS. This form is optional and should be used at the agency's discretion.

¹ September 1, 2012, the submittal date specified in statute, falls on a Saturday and the next business day, September 3, 2012, is the Labor Day Holiday. As such and in accordance with Code of Civil Procedure section 12a and 12b, for purposes of the January through June 2013 ROPS, the official submittal date is September 4, 2012.

² For clarification purposes, references to the Redevelopment Property Tax Trust Fund (RPTTF) includes any property tax (also referred to as 'tax increment') allocated to the former Redevelopment Agency/Successor Agency in fiscal year 2011-12 covering the period January through June 2012.

General Directions:

There are five forms (tabs) in the ROPS workbook. Note: The shaded areas within each form do not require entries as they contain calculation formulas or cell references.

Specific instructions for completing each form are provided below:

1. **Contact Info** – Complete this page with the required and necessary agency contact information. The agency's name and county needs to be completed only on this form; the information will be transferred to all other forms in the workbook.
2. **Summary** – In general, this form summarizes amounts referenced from the ROPS. However, agencies are required to complete the following amounts as specified in the form:
 - Current Period Total Anticipated RPTTF funds
 - Previous Period Estimated Obligations Funded with RPTTF
 - Previous Period Actual Obligations Paid with RPTTF
 - Previous Period Administrative Expenses Paid with RPTTF
3. **ROPS** – Provide the date the Oversight Board approved the ROPS. List all enforceable obligations on this form along with the required information as indicated in the table below:

Column Name	Description and Examples	Clarifications
Line	Designated line item numbers.	Once the line item number is designated to an obligation, the line item number shall remain the same and should not be reused. Do not use or designate a number more than once.
Project Name / Debt Obligation	Names of projects associated with the enforceable obligation payment, which include the following:	Refer to HSC §34167(d) for the definition of an enforceable obligation. <u>Note:</u> For each listed item, supporting documentation is not required to be provided in the ROPS; however, it is advisable to maintain such documentation and it may be requested by Finance.
	Bonds: Includes debt service, reserve set-asides and any other payments related to the repayment of bonds, notes, interim certificates, debentures, or other obligations. Examples include tax allocation bonds, revenue bonds, certificates of participation (COPs), and California Infrastructure and Economic Development Bank (IBANK) bonds. Other payments related to bonds could include fiscal agent fees, letter of credit bank fees, continuing disclosure fees, etc.	Includes bonds as defined by HSC §33602 and issued pursuant to Government Code §5838. On the form, bond payments may be grouped together; however, it is recommended that non-housing and housing bond payments be entered under separate project names. Also, separate reserve set-asides from other payments related to the repayment of bonds.

Column Name	Description and Examples	Clarifications
	<u>Loans or Moneys Borrowed by Agency:</u> Includes loans or moneys borrowed for legal purposes. Examples include loans from the LMIHF and <i>certain</i> loans from the sponsoring entity—i.e. the city, county, or city and county that created the agency. Other examples include repayment of loans from other public agencies, such as CalHFA, HUD Section 108.	This schedule should include all sponsoring entity and agency loan agreements. <u>Note:</u> sponsoring entity agency loan agreements are only enforceable if entered into the first two years of the agency's existence or if they were for the sole purpose of securing, or repaying indebtedness obligations written prior to December 31, 2010. <u>Also note:</u> Per HSC §34173 (h), includes other loans between the sponsoring entity and successor agency for administrative costs, enforceable obligations, or project-related expenses as reported on the ROPS and approved by the oversight board.
	<u>Payments:</u> required by the federal and state governments or in connection with agency employees.	Includes payments such as salaries, pension payments, pension obligation debt service, and unemployment payments. Does not include pass-through payments.
	<u>Judgments and settlements:</u>	Includes payments related to court or other binding decisions and arbitrations against the former redevelopment agency.
	<u>Legally binding and enforceable agreements or contracts:</u> Includes all obligations of agency not listed above, both housing and non-housing. <u>Note:</u> report all regardless of source of funding, such as those that will be funded with bond or other debt proceeds. Examples include obligations such as construction contracts, Disposition and Development Agreements (DDAs), Owner Participation Agreements (OPAs), pre-development loans, Community Facilities District (CFD) reimbursements, rental subsidies, and professional services contracts. Also includes agreements pledging future receipt of tax increment to other entities, such as a matching grant or promissory note.	Per HSC §34167 (d)(5), includes any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy. However, as noted above, pursuant to HSC 26, §34171(d)(2), the definition of enforceable obligations to be paid by a successor agency does not include any agreements, contracts, or arrangements between the sponsoring entity and the agency, except for two specific categories of loans as defined in the legislation. <u>Note:</u> Depending on the nature of the agreement or contract, enforceable obligations in this category are subject to the RPTTF administrative cost allowance set forth in §34171 (b). <u>Also note:</u> discuss with your legal counsel whether an agreement such as an Exclusive Negotiation Agreement (ENA) should be listed as an enforceable obligation under §34167 and §34169 Enforceable Obligations. For DDAs or OPAs, provide a breakdown of the various projects and corresponding expenditures associated with each DDA/OPA project.
	<u>Contracts or agreements necessary for continued administration or operation of agency</u> such as, but not limited to, office space rent, equipment, supplies, insurance, and services.	Per HSC §34167(d)(5), includes contracts or agreements necessary for continued administration or operation of the agency including, but not limited to, agreements to purchase or rent office space, equipment and supplies, and pay-related expenses pursuant to §33127 and for carrying insurance pursuant to §33134.

Column Name	Description and Examples	Clarifications
Contract/ Agreement Execution Date	The date the contract/agreement was signed by all involved parties.	
Contract/ Agreement Termination Date	The date the contract/agreement ended and/or is no longer valid.	
Payee	Recipient of debt or obligation payments.	Include name of public agency, entity or other organization to receive payment.
Description/ Project Scope	Description of the nature of the work, product, service, facility or other thing of value for which payment is to be made. Specify project scope, such as infrastructure improvement, stadium, parking structure, public transit, etc.	
Project Area	List the name of the former redevelopment project area from which the payment was required	
Total Outstanding Debt or Obligation	Total remaining debt or obligation, including principal and interest, as applicable.	Although this amount is not required by §34169, it may be prudent to include the total amount for purposes of preparing the ROPS or Statement of Investment (SOI) estimate for the remaining term of obligation. The SOI is a good source for this data.
Funding Source	Enter 6-month obligation total attributable to each funding source. Obligations with multiple funding sources should report specific funding amount attributable to each funding source.	Funding sources include the LMIHF, Bond Proceeds, Reserve Balance, Administrative Allowance, RPTTF, and Other. If the funding source is reserve, identify the original source of funds on the Notes form. If funding source is Other, specify source of funds (e.g. rent, interest income, etc.); notations should be made in cases where the successor agency estimates the amount to be paid. <u>Note:</u> Per §34171 (b) related to administrative cost allowance, successor agencies may claim up to three percent of property tax allocated to the Redevelopment Obligation Retirement Fund (RORF) or \$250,000, whichever is greater, beginning in fiscal year 2012-13 and each fiscal year thereafter.
6-Month Total	This column calculates the six-month total for each obligation for all funding sources.	No entries should be made in this column.

Disputed Obligations

Per Finance's letter dated July 12, 2012, agencies requesting reconsideration of previously denied obligations may include them in the January through June 2013 period ROPS. The obligations should be identified in the Notes form including a reference to the correspondence and/or supporting documents provided to

Finance. Finance will review the obligation or debt along with other obligations or debt listed on the ROPS.

Retired or Paid-Off Obligations

Per HSC section 34187 (a) (1), obligations that have been retired or paid-off, either through early payment or payment at maturity, should be listed on this form and identified as such in the Notes form.

Pass-Through Payments

Per HSC section 34183 (a) (1), the county auditor-controller will make the required pass-through payments starting with the July through December 2012 ROPS. Therefore, going forward, pass-through payments should not be identified in the ROPS.

4. **Notes** – This form is optional. When providing additional information on EOs, ensure the identified line item number corresponds with the correct ROPS line item.
5. **Prior Period Payment** – Per HSC §34186 (a), successor agencies must report the difference between actual payments and past estimated obligations. The difference between actual payments made and estimated obligation amounts will be used to adjust funds to be transferred to the RORF.
 - List all obligations reported on the January to June 2012 ROPS period approved by Finance.
 - For each obligation, list the page number or form and line item number referenced in the January to June 2012 ROPS.
 - For each obligation, provide the estimated obligation amount and actual payment made by funding source.